

## Retirement on your mind?

By Rosanne Ricks, Office of Human Resources

Wednesday, 03 February 2010 07:14 - Last Updated Wednesday, 03 February 2010 07:32

---



Several human resource/benefit related bills are being considered during the 2010 Legislative Session. Below are a few of the bills that may be of interest to state employees considering retirement:

### **[HB 83: Public Employees' Retirement – Spousal Election](#)**

Sponsor: C. Brent Wallis

This bill requires written consent from a spouse when an employee selects a retirement allowance or a lump sum payment option upon application for a retirement benefit.

*Effective: May 11, 2010*

### **[SB 42: Retirement Eligibility Modifications](#)**

Sponsor: Daniel R. Liljenquist

This bill increases the number of years an employee must accrue before they are eligible to retire at any age without actuarial adjustments from 30 to 35 years in the Public Employees systems and from 20 to 25 years in the Public Safety Employees systems. This is done with a graduated scale based on years of service as of July 1, 2011. An employee who retires prior to age 65 without the requisite years will pay the full actuarial cost for each year between ages 60 and 65 rather than the 3% per year.

*Effective: July 1, 2011*

### **[SB 43: Post-Retirement Employment Amendments](#)**

Sponsor: Daniel R. Liljenquist

This bill makes multiple changes to provisions concerning the rehiring of retired employees. The contribution to the 401(k) account will stop for ALL rehired retirees on July 1, 2010. Retirees

## Retirement on your mind?

By Rosanne Ricks, Office of Human Resources

Wednesday, 03 February 2010 07:14 - Last Updated Wednesday, 03 February 2010 07:32

---

who are rehired prior to July 1, 2010, will continue to receive their pension and salary. Instead of diverting the defined benefit contribution rate to their 401(k)s, the agency will pay Utah Retirement Systems (URS) the authorization rate to help pay for unfunded liabilities in the Defined Benefit (DB) plan. Retirees hired after July 1, 2010 will have their pension suspended and be returned to active status in the system. The agency will pay the full contribution rate for the applicable DB plan to URS. These employees will have to work for at least two years before they can receive additional service credit for additional years worked. Retirees who are hired on a part-time basis will face earnings restrictions imposed by Social Security. The bill also removes the maximum allowance for the public safety, firefighters and judges systems.

*Effective: July 1, 2010*

### **SB 94: Supplemental Benefit Amendments for Noncontributory Public Employees**

Sponsor: Daniel R. Liljenquist

This bill stops the 1.5% 401(k) contribution for employees who did not voluntarily switch to the Public Employees' Noncontributory system. This includes employees who had a break in service or who transferred to a different agency since July 1, 1986.

*Effective: July 1, 2010*

It is important to remember these and other bills may be revised during the session. If you are interested in tracking these and other bills, you may submit a bill tracking request on the Utah State Legislature website, <http://le.utah.gov>.

If you have questions about how the bills may impact you and your retirement decisions, contact Rosanne Ricks, [rricks@utah.gov](mailto:rricks@utah.gov) or 801-538-4220.